

May 29, 2002

Mr. Bruce E. Hanson
Oppenheimer Wolff & Donnelly
Plaza VII, Suite 3300
45 South Seventh Street
Minneapolis, Minnesota 55402-1609

Re: Application for Pipeline Routing Permit and Partial Exemption
EQB Docket No. 02-33-PRP-HUC

Dear Mr. Hanson:

As we discussed at our meeting on May 21, 2002, EQB staff has a number of questions about the proposal by the Hutchinson Utilities Commission to construct 89 miles of new natural gas pipeline from Trimont to Hutchinson. We would appreciate receiving the Commission's written response so this additional information can become part of the record to be considered by the EQB Board when the Board makes a final decision on the Commission's request for a pipeline routing permit and a partial exemption from the full routing procedures.

Alternatives. What alternative routes did the Hutchinson Utilities Commission consider before selecting the proposed route? We would like to know in some detail what review the Commission conducted in selecting a preferred route for the pipeline. Please identify the alternatives you considered and describe the reasons why you rejected these other alternatives and selected the preferred route. We would especially like to know if there were environmental factors or other specific features that led the Commission to reject certain alternative routes.

Mitigation Agreement. At the meeting on May 21, Department of Agriculture staff requested that the Commission comment on the Agricultural Impact Mitigation Agreement that the Department of Agriculture and others entered into with Alliance Pipeline, L.P. in 1997. Both EQB staff and MDA staff are interested in learning what mitigative measures the Commission is prepared to implement in construction of the pipeline. It is anticipated that any routing permit that is issued will contain a number of conditions requiring certain mitigative measures.

Timing. We are uncertain what the Commission's time constraints are in this situation. You provided some information regarding the status of your contract and the negotiations with your present natural gas supplier, but we would like more clarification regarding how soon the Commission requires a decision on a pipeline route permit and why. Also, we would appreciate it if the Commission

Mr. Bruce E. Hanson

May 29, 2002

Page 2

would provide an explanation of why the Commission opted to apply for a partial exemption rather than electing to file under the full routing procedures in EQB rules.

I want to emphasize that EQB staff has not formed a recommendation on whether this pipeline qualifies for a partial exemption under the applicable criteria in Minnesota Rules part 4415.0040. The final decision on whether to grant the partial exemption will, of course, be made by the 15 member EQB Board. The information we have requested here will assist the Board in determining whether a partial exemption is appropriate and what conditions to include in any routing permit that is issued.

The sooner the Commission can provide this information the better. Indeed, we would prefer that you provide your response for any particular question as soon as the information can be compiled rather than wait until all questions can be answered. If you have any questions about the additional information we are looking for, please give me (651-296-3714) or Larry Hartman (651-296-5089) a call so we can clarify the request for you.

Thank you very much.

Sincerely,

Alan R. Mitchell
Manager,
Power Plant Siting

cc: Gene Hugoson, Commissioner, Department of Agriculture
Michael Sullivan, Executive Director, EQB
Patrick Spethman, Hutchinson Utilities Commission